

Strategy Research Project

Defense Intelligence Agency: Service Resistance From Pre- Establishment Through the 1970s

by

Fred B. Reynolds, Jr.
Department of Defense Civilian



United States Army War College
Class of 2013

DISTRIBUTION STATEMENT: A

Approved for Public Release
Distribution is Unlimited

This manuscript is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
<p>The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.</p>					
1. REPORT DATE (DD-MM-YYYY) xx-03-2013		2. REPORT TYPE STRATEGY RESEARCH PROJECT		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Defense Intelligence Agency: Service Resistance From Pre-Establishment Through the 1970s				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Fred B. Reynolds, Jr. Department of Defense Civilian				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Colonel Michael Current Department of Military Strategy, Planning, & Operations				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) U.S. Army War College 122 Forbes Avenue Carlisle, PA 17013				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT Distribution A: Approved for Public Release. Distribution is Unlimited.					
13. SUPPLEMENTARY NOTES Word Count: 6,617					
14. ABSTRACT <p>The Services resisted the Defense Intelligence Agency (DIA) even before it was formed. They used their bureaucratic strength to thwart Secretary of Defense Robert McNamara's efforts to establish a central military intelligence agency that was the instrument of the Office of the Secretary of Defense (OSD). The Services ensured that DIA, when formed, was weak. As a result of Service resistance, the agency was established without the power or structure to lead Defense intelligence and develop consolidated intelligence estimates while compelling efficiency, timeliness, and accuracy. Nor could the agency eliminate wasteful duplication. The Services continued to resist DIA for nearly two decades. This contributed to the agency's poor performance, frequent investigations by other elements of government, and frequent internal reorganizations.</p>					
15. SUBJECT TERMS Centralization, Performance, Congressional Investigation					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT UU	18. NUMBER OF PAGES 36	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UU	b. ABSTRACT UU	c. THIS PAGE UU			19b. TELEPHONE NUMBER (Include area code)

USAWC STRATEGY RESEARCH PROJECT

**Defense Intelligence Agency: Service Resistance From Pre-Establishment
Through the 1970s**

by

Fred B. Reynolds, Jr.
Department of Defense Civilian

Colonel Michael Current
Department of Military Strategy, Planning, & Operations
Project Adviser

This manuscript is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

Abstract

Title: Defense Intelligence Agency: Service Resistance From Pre-Establishment Through the 1970s

Report Date: March 2013

Page Count: 36

Word Count: 6,617

Key Terms: Centralization, Performance, Congressional Investigation

Classification: Unclassified

The Services resisted the Defense Intelligence Agency (DIA) even before it was formed. They used their bureaucratic strength to thwart Secretary of Defense Robert McNamara's efforts to establish a central military intelligence agency that was the instrument of the Office of the Secretary of Defense (OSD). The Services ensured that DIA, when formed, was weak. As a result of Service resistance, the agency was established without the power or structure to lead Defense intelligence and develop consolidated intelligence estimates while compelling efficiency, timeliness, and accuracy. Nor could the agency eliminate wasteful duplication. The Services continued to resist DIA for nearly two decades. This contributed to the agency's poor performance, frequent investigations by other elements of government, and frequent internal reorganizations.

Defense Intelligence Agency: Service Resistance From Pre-Establishment Through the 1970s

We trained hard, but it seemed that every time we were beginning to form up into teams we would be reorganized. Presumably the plans for our employment were being changed. I was to learn later in life that, perhaps because we are so good at organizing, we tend as a nation to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralization.¹

—Charlton Greenwood Ogburn, Jr.

The Services' resistance to the centralization of military intelligence hampered the effectiveness of the Defense Intelligence Agency (DIA) from its inception until well into the 1970s. In the first twenty years of its existence DIA did not fulfill its mission. This failure was evidenced by numerous inaccurate national intelligence estimates and critical reports from Presidential, Congressional, and Department of Defense commissions. Through non-cooperation and self-interest the Service intelligence organizations thwarted DIA for two decades. DIA's charter institutionalized its powerlessness by maintaining the status quo vis-à-vis the Service intelligence organizations. Attempts to reform DIA between 1961 and 1979 did not succeed because the Service intelligence elements resisted the reforms that would have empowered DIA.

This paper makes three assertions. First, the Services resisted efforts to centralize military intelligence before DIA was created. Second, the Services won a key bureaucratic struggle with the Secretary of Defense at the time of DIA's creation. Third, Service resistance, which persisted until almost 1980, was a contributing factor to DIA's poor performance. DIA's poor performance led to frequent review by oversight bodies

and almost ceaseless reorganization that never strengthened DIA sufficiently to lead the military intelligence effort.

DIA was envisioned as part of the move to centralization and more effective management of the military. “It was the product of an organizational progression toward centralization which was occurring in the Department of Defense (DOD) as a whole.”² This movement toward military centralization and enhanced effectiveness had its roots in World War II. However, centralization is not in keeping with some American values.

Americans believe centralization leads to bloated and corrupt bureaucracies. Centralized organizations are characterized by rigid hierarchy that stifles innovation and alternate views. Centralization is not democratic. Democracies believe in open government guided by a system of checks and balances. Centralizing intelligence is perceived by some as giving the military too much power and thus posing a threat to the American democratic system. Balancing the benefits of centralization with the dangers was the challenge facing reformers at the end of World War II.³ Service resistance to centralization in general and to centralization of military intelligence in particular, can be better understood by considering the personalities of the Services.

The Service Personalities

This section examines the personalities of the Services. The purpose is to facilitate understanding of the Service mind sets to better grasp why the Services resisted the establishment of DIA. After World War II, the Services were confronted by powerful forces in Congress and the White House that wished to consolidate defense organizations for reasons of economy, efficiency, and effectiveness. In general, the Services were opposed to loss of their prerogatives. Each Service possessed a different personality. The personalities are “profound, pervasive, and persistent.”⁴ Carl H.

Builder's *The Masks of War: American Military Styles in Strategy and Analysis*

describes the personality differences between the Services. He argues that the Services are the most powerful institutions in the Department of Defense. Furthermore, though the individual members are loyal to the nation, the units to which they belong often place institutional interests first.⁵ "Understanding interservice rivalry is paramount in understanding the trials faced by the new Defense Intelligence Agency."⁶ Builder characterizes the Navy as the most independent minded military force. The Navy has its own air force and its own army; it sees no need to cooperate with other Services. It is the most intransigent of the Services regarding jointness.

The Army views itself as the "essential artisan" of war. In the end, all battles are decided on the ground. Unlike the Navy, the Army recognizes the need for collaboration. It understands the interdependence needed in warfare and the benefits of integration.⁷ There are differences of opinion on this aspect of the Army's attitude toward DIA's establishment. In contrast to Builder's assertion that the Army is the team player, Patrick Neil Mescall, in his Ph.D. dissertation on the establishment of DIA, says, "The Army remained opposed to the creation of [DIA], and fought it to the very end."⁸

Builder asserts that the Air Force is the newest and least confident of the Services. Unlike the Navy and the Army, the Air Force owes its existence to modern technology. Thus, the Air Force feels the need to defend its legitimacy as an essential and independent organization. Hence, the Air Force is usually reluctant to support jointness for fear of weakening its identity.⁹ Mescall takes a different view. He says the Air Force, seeking ways to establish itself, truly supported the establishment of the DIA. The agency represented an opportunity for the Air Force to enhance its prestige.

Consequently, in the early years of the agency many of the top management positions, including directorship, were seized by the Air Force.¹⁰ The Service personalities led them to resist centralization in general and the loss of control of their respective intelligence elements in particular. The characteristics of the Services can be seen in their exercise of power before DIA was established and in the struggle resulting in DIA's establishment.

Pre-Establishment

This section examines the period between the end of World War II and 1958. It is critical to understand the actions of the forces advocating consolidation of the Departments into the Department of Defense and the resistance of the Services. It would be very difficult to grasp the battle surrounding the establishment of DIA without insight into the events of pre-establishment years.

Post World War II

The period after World War II saw changes in America. It was a period of American ascendancy. Within the government there was dissatisfaction with the performance of the U.S. military and its various intelligence organizations. Military intelligence was often late, too narrowly focused, contradictory, and inaccurate. In the post war period, legislation drove reform through reorganization. The two most noteworthy pieces of legislation were the National Security Act of 1947 and the Department of Defense Reorganization Act of 1958. One of the aims of legislation was to enhance military effectiveness through efficiency and centralization of management. Despite having been drawn closer together during the war, the Services resisted establishment of a central military intelligence organization. In World War II, the Services were jealous of their prerogatives and disinclined to work together well. The

intelligence organizations of the Services showed the same faults as the Services writ large.

There was some cooperation and coordination between the Service intelligence elements. For example, the War Department established the Joint Intelligence Committee (JIC) to coordinate between the intelligence elements of the members of the Joint Chiefs of Staff. JIC members included Army Intelligence, Navy Intelligence, Department of State, the Board of Economic Warfare, and Coordinator of Information (COI). The COI shortly became the Office of Strategic Services (OSS). The JIC provided military intelligence to the other elements of the JCS and to the Combined Intelligence Committee during the war. After the war, the JIC, which continued to provide limited intelligence support to the JCS, became the Joint Intelligence Staff (JIS). The JIS subsequently became the Joint Intelligence Group (JIG) and, later, the J-2. But the end of World War II caused a relapse in coordination among intelligence organizations. President Truman disbanded the OSS, while the Services and Department of State retained autonomy of their intelligence efforts. This retrenchment was because the Services perceived their intelligence requirements as specific and different than the needs of the others.

In 1946, President Truman established the Central Intelligence Group (CIG). The CIG's mission was to plan, coordinate, evaluate, and disseminate intelligence. However, the Services retained their resources undercutting the effectiveness of the CIG's Director of Central Intelligence (DCI). The Services further undercut the DCI by continuing to advise the President directly.

Momentum was building for reform in management of the military. The Congressional Joint Committee on the Investigation of the Pearl Harbor Attack stated, “Operational and intelligence work required centralization of authority and clear-cut allocation of responsibility.”¹¹ The committee recommended integration of all Army and Navy intelligence organizations. Shortly thereafter, the National Security Act of 1947 charged the Director of Central Intelligence with “coordinating the intelligence activities of the several Government departments and agencies in the interest of national security.” Additionally, the Act established the Central Intelligence Agency (CIA) and “dual-hatted” the DCI as head of the CIA.¹²

The National Security Act of 1947 was insufficient in terms of solving the intelligence problem. It was vague on the responsibilities of the CIA and thereby allowed the Services to argue that they needed to maintain the autonomy of their intelligence organizations. So, in 1948, President Truman appointed a commission under former President Herbert Hoover to assess the effectiveness of the Executive branch of government. The Commission had a task force assess the national security with a specific focus on intelligence. The task force’s findings were not encouraging.

The Hoover Commission discovered inadequacies in intelligence coordination and control. The report stated that “the continuance of intense interservice rivalries hampers and confuses sound policy at many points. One of our greatest needs is to elevate military thinking to a plane above the individual Service aims and ambitions.”¹³ The Commission stated that JCS was too remote from NSC and CIA and called for teamwork among interagency intelligence organizations.¹⁴ Among the “disturbing inadequacies” singled out by the task force were wasteful duplication, personnel

problems, unsatisfactory coordination and conflicting intelligence estimates.”¹⁵ The task force was,

convinced that too many disparate intelligence estimates have been made by the individual departmental intelligence services; that these separate estimates have often been subjective and biased; that the capabilities of potential enemies have frequently been misinterpreted as to their intentions, and that a more comprehensive collection system, better coordination and more mature experienced evaluation are imperative.¹⁶

The task force felt the Secretary must be the coordinator of intelligence in the Department and called for a better mechanism for coordinating the service intelligence agencies in the Secretary’s office.¹⁷ Some measures based on the Hoover Commission’s recommendations were enacted in the amendment to the National Defense Act of 1947 and the Central Intelligence Act of 1948. However, the deficiencies in intelligence found by the Commission remained.

In 1953, former President Hoover was asked, this time by President Eisenhower, to head another commission on the effectiveness of Federal government. Elements of the Commission’s report were incorporated into legislation called the Department of Defense Reorganization Act of 1958. In terms of improvements to intelligence resulting from the Act, results were mixed. The Act did not require a consolidated Defense intelligence organization. However, the Act did establish the (White House level) United States Intelligence Board (USIB). Membership included the Secretary of State, Secretary of Defense, the Director of the Federal Bureau of Investigation, the Director of the Central Intelligence Agency, the head of the Atomic Energy Commission, and the Director of the National Security Agency.

In this new forum, the JCS, the Army, the Navy, and the Air Force all had equal representation. The USIB’s procedures required the Secretary of Defense to seek

consensus by reviewing dissenting opinions. Deane Allen, the DIA historian, said, "By 1958, this much was clear: the intelligence support provided to the combatant commands was unsatisfactory. Defense intelligence assets were inherently duplicative, cumbersome, poorly distributed, costly, and did not provide for unified (or even coordinated) military intelligence estimates at any echelon. In practice the system was ineffective because it failed to provide timely and credible estimates."¹⁸ Mescall said, "The 1958 Reorganization Act gave the Office of the Secretary of Defense (OSD) almost complete control over the DOD. Since the support and command lines ran directly to the Secretary of Defense, he was able to exert direct supervision over almost all military functions. Yet in 1958, military intelligence still escaped his grasp. Regardless of the centralization which was occurring within the DOD as a whole, throughout the 1940s and 1950s military intelligence remained autarchic."¹⁹ The problems previously identified by the Hoover Report remained.²⁰ Once again, reform had missed the mark.

A remarkable coincidence occurred in 1959-1960. Both the Department of Defense and the Eisenhower administration began studies of the deficiencies of military intelligence. In 1959, the Department of Defense began an attempt to put its intelligence house in order. Secretary Thomas S. Gates, Jr. ordered the JCS to study intelligence requirements, prioritize, and identify duplication. The DoD task force identified 37 different intelligence products that addressed the same data but for different customers. But the Department had waited too long to reform its intelligence. Before the task force could propose any reform, it was overcome by events.

The Eisenhower administration had grown increasingly frustrated over the lack of cooperation within the military intelligence community.²¹ On May 6, 1960, President Eisenhower designated a special task force called the Joint Study Group (JSG) to study the military intelligence support process. Lyman Kirkpatrick, Jr., former Inspector General at CIA was the chairman. Members included the Secretary of Defense, the Director of Central Intelligence, the Director of the Office of the Bureau of the Budget (precursor of the Office of Management and Budget), the Special Assistant to the President for National Security Affairs, and the President's Board of Consultants on Foreign Affairs. The JSG was asked to pay "particular attention to possibilities for closer integration under the authority of the DOD Reorganization Act of 1958."²²

On December 15, 1960, the Joint Study Group submitted its final report. The group determined that military intelligence channels did not conform to changes mandated by the Defense Reorganization Act of 1958. Instead of following the joint chain of command, which flowed from the Secretary of Defense through the Joint Chiefs of Staff to the Commanders in Chiefs (CINC), the intelligence community worked as they always had by passing information from Service headquarters, through Service channels, to Service components. The Joint Study Group found the system cumbersome and duplicative since the three Service intelligence branches were often doing the same thing simultaneously. The Joint Study Group objected to the lack of a unified military view in the NIE and found it inappropriate that the military used the USIB as their debate forum. Concurring with previous assessments, the JSG believed the USIB should be limited to debates between the Department of Defense and the other members of the Board.²³

The final report of the JSG proposed broad reform and reorganization: specifically, a new intelligence organization with power over the intelligence program and activities of the Department of Defense. The JSG even considered the elimination of the Service intelligence programs as autonomous organizations. "It has been suggested . . . to establish one intelligence service for the whole Department, reporting directly to the Secretary of Defense. Although this proposal has considerable merit, it is our view that on balance it would be unwise to attempt such an integration of intelligence activities so long as there are three Military Services having specialized skills and knowledge."²⁴

The JCS reacted strongly to several of the recommendations of the Joint Study Group. On December 30, 1960, the JCS responded to the Secretary of Defense:

The (JCS) are gravely concerned over the far-reaching impact . . . of certain . . . recommendations . . . on the entire structure, operational methods and effectiveness of the military intelligence activities of the various elements of the Department of Defense. The (JCS) agree that the military intelligence organization within the Department should be brought into full consonance with the concept of the Department of Defense Reorganization Act of 1958. The nature, timing, and scope of actions that are required to realize this should, of course, be the result of careful planning and of an evolutionary process. The (JCS) therefore recommend that the Secretary of Defense support the principle . . . but . . . specific implementing suggestions . . . should not be decided until a detailed study is made and submitted by the Joint Chiefs of Staff.²⁵

Establishment

This section covers the bureaucratic battle over intelligence between the Secretary of Defense and Services as represented by the Joint Chiefs of Staff. The bureaucratic power exercised by the JCS was truly impressive. They quietly cultivated an unexpected ally. As will be seen, the JCS outmaneuvered and outlasted the

Secretary. Their power secured their victory and yielded a defense intelligence organization that was under their control and “under-gunned” for its mission.

As the bureaucratic infighting and disingenuous proposals for more study begun in the Eisenhower administration went on, John F. Kennedy was inaugurated on January 20, 1961. He chose as his Secretary of Defense, Robert S. McNamara. McNamara had been stunningly successful using what he called active management in the Air Force in World War II and later at Ford Motor Company. Upon assuming office, Secretary McNamara conducted “a general reassessment of our military forces in relation to our national security policies and objectives.”²⁶

In the eyes of the new President and the Secretary of Defense the National Intelligence Estimates were unsatisfactory. Without coordination, the Services produced NIEs that were a contradictory, ambiguous, and lacked analytical rigor. Critically, they gave no meaningful, solid insight into Soviet military capabilities. Mescall said, “Thus, McNamara was aware of the need to develop a consensus within the intelligence community concerning the Soviet strategic threat as a necessary prelude to his general reassessment of the U.S. military posture.”²⁷ His subsequent investigation of the “missile gap” revealed that it was fictitious; it was a creation of Air Force intelligence.

McNamara’s discovery left him disturbed. He felt the current military intelligence was tainted with political and bureaucratic motivations. The facts were orchestrated to support Service positions. Thus, McNamara became convinced of the need to remove the intelligence evaluative capabilities from the individual Services. McNamara believed production and dissemination should be centralized at a higher level within DOD, preferably under the Office of the Secretary of Defense. In this way, evaluation and

interpretation would be removed from the Services. Not surprisingly, McNamara endorsed the recommendations of the Joint Study Group that President Eisenhower had appointed to examine the military intelligence support process.

Secretary McNamara wanted to remove the evaluative and interpretative capabilities from the Services and wanted DOD represented on the USIB by a single representative from a new Defense intelligence agency. But his primary objective was to ensure coordinated, consolidated, and correct National Intelligence Estimates.

Secretary McNamara viewed strategic intelligence as paramount and the policy maker as the primary customer. For their part, the Services were disinclined to give up any of their intelligence prerogatives to the Secretary and a new centralized military intelligence agency. They viewed current intelligence as paramount and the warfighter as war fighter as the primary customer. The bureaucratic battle between the Secretary and the JCS over intelligence was joined.

Secretary McNamara's vision was clear. His instructions to the JCS specified that he wanted a five phased implementation plan and a draft directive for the organization's charter in 30 days. Secretary McNamara wanted each Service headquarters to have only a small intelligence staff that would not duplicate any intelligence function of the new Defense Intelligence Agency.

Determined to test the new Secretary, the JCS responded to the Secretary's memorandum on March 2, 1961, asserting the Services' right to acquire, produce, and disseminate military intelligence and counterintelligence as required in fulfillment of their assigned departmental missions.²⁸ Additionally, the JCS requested that the Services

retain the elements of military intelligence, counterintelligence, and security which have not been integrated into the Military Intelligence Agency.²⁹

The JCS submitted a draft proposal for a central military intelligence agency. The proposal's key points were not surprising. The JCS called for the evolutionary creation of a military intelligence agency subordinate to the JCS. On the key point of defense representation on the USIB, the JCS conceded, a little. They offered that the head of the new agency would be the sole defense representative on the USIB. However, a Military Intelligence Board comprised of the Service intelligence chiefs and a representative of the JCS would strictly supervise the director of the new agency. Essentially, the JCS proposal was an enhanced version of the current J2 (formerly the JIG). Like the JIG, the military intelligence agency was designed to have little statutory authority over the Services; thus, it would lack the power to effect any true consolidation.

The JCS proposal created a paper tiger; the reforms were largely superficial, designed to preserve the autonomy of the Service intelligence elements. This self-serving proposal was characteristic of the JCS. Although the members of the JCS are charged with dual roles—each is responsible for the supervision of his parent service and for his collective duties as a member of the Joint Staff—the former role tended to prevail. “The prevalence of parochialism among the JCS prompted the Rockefeller report of 1958 to refer to the JCS as ‘a committee of partisan adversaries.’ Yet despite such parochialism, they coalesced to battle a common enemy—McNamara—to safeguard a common asset—their intelligence components.”³⁰

McNamara was unimpressed by the JCS proposal. He realized the JCS had offered an enhanced version of the current J2. Quoting Mescall, "As a result, open conflict erupted in the spring of 1961 between the military services, represented by the Joint Chiefs of Staff, and McNamara and civilian analysts over the future of military intelligence. Bureaucratic infighting at the Pentagon was exceptionally fierce. The public record is vague and incomplete, but it appears that a compromise was reached in mid-April."³¹

The Services found a powerful, if unexpected, ally in Allen Dulles, the Director of Central Intelligence. The Services convinced Dulles that they deserved an independent voice in forming NIEs. McNamara assured Dulles that the DIA would be a coordinating, not a usurping body, though he did not promise that the Services would retain full representation on the USIB.³² Ostensibly, Director Dulles valued the separate Service inputs to the NIEs. In fact, he was apprehensive about the concentration of power that would occur if the new defense intelligence organization was given sufficient authorities to control military intelligence. Director Dulles did not want a DOD intelligence organization that could rival his own Central Intelligence Agency. This dispute had significant influence within the bureaucracy during the struggle over the organization of the new agency. It isolated Robert McNamara, leaving him without allies in his battle to structure the DIA in accordance with the needs of the OSD."³³

In the struggle between the Office of the Secretary of Defense and the Joint Chiefs of Staff to achieve centralization, OSD was triumphant in every incidence except one: military intelligence. Secretary McNamara agreed to compromise with the Services over the new agency. He gave in to the JCS demand that the new agency report

through the JCS to the Secretary. The language was confusing. Through was the operative word. Through meant that JCS did not have operational command of the agency. It meant that JCS issued orders in the name of the President or the Secretary. For all practical purposes, the chain of command ran from the Secretary to the JCS to the director of the agency. The Services retained their own intelligence elements, their funds, and their autonomy. Through bureaucratic muscle JCS and the Services won. One historian said, "The compromise which resulted in the creation of the DIA represents the triumph of the parochial interests of the JCS and the military services over the national interests of the OSD and the civilian policy-makers."³⁴

Secretary McNamara had agreed to a very weak agency, and he knew the consequences. The agency would work for JCS and not for him. The agency would be ineffective in centralizing military intelligence. The agency would be incapable of eliminating duplication between the Services. Military intelligence would remain independent, inefficient, and wasteful.

Secretary McNamara had gone eye to eye with JCS and he had "blinked." No one really knows why. Perhaps he was motivated by a desire to end the bureaucratic battle. Perhaps he agreed because he wanted to limit the Services' role in strategic intelligence.

McNamara got the Services' evaluative capabilities transferred to the new agency and a single defense representative on the USIB.³⁵ This should have resulted in better National Intelligence Estimates. Kanter said:

McNamara, who was more concerned about having to deal with conflicting intelligence reports—none of which he trusted—than with improving the quality of military intelligence—which he despaired of—gave control of the DIA to the Chiefs (JCS), and then proceeded to virtually ignore it.³⁶

DIA did not have the power. In fact, the JCS delayed the implementation of the change to a single defense representative on the USIB. Finally in late 1963 Allen Dulles' successor, DCI John McCone recommended to the NSC that the DIA be included in the USIB as of January, 1964. The military vigorously resisted. It was only when President Johnson personally intervened to support McCone that the proposal was finally pushed forward despite the opposition of the JCS.³⁷ Even then the military services retained seats on USIB and were allowed to present views contradictory to those of the new agency. In effect, the Services could present views contradictory to the Secretary.

The activation of DIA was deliberately a slow and careful process because of the overriding importance of maintaining an effective defense intelligence machine during the conversion period. DIA did not achieve operational status until three years after its birth, and it has been undergoing change and development continuously since that time.³⁸ On August 1, the Defense Department announced the establishment of the Defense Intelligence Agency. DIA became operational on October 1, 1961.

The Charter

DIA's charter was published in Department of Defense Directive 5105.21, "Defense Intelligence Agency." The directive was vaguely worded and contained no mission statement or specific descriptions of intelligence units or resources under DIA's control. By not defining the mission, subordinate units, or resources, the Directive greatly undercut DIA's authority. In December 1962, the directive was amended to add a paragraph describing the agency's production mission. The amendment required the agency to "develop, produce, and provide all DOD finished intelligence and supporting data." This left room for interpretation.³⁹

The Directive made DIA responsible for “organization, direction, management, and control of all Department of Defense intelligence assigned to or included within the DIA.”⁴⁰ Since the elements assigned to DIA were never specified, the directive undercut the Director’s authority. The directive also gave DIA responsibility to review, coordinate, and supervise the functions retained by the Services. The directive made DIA responsible for economy and efficiency in allocating DOD intelligence resources, but did not give DIA the resources. The directive gave DIA the responsibility to respond to USIB and major DOD component intelligence requests. The directive instructed DIA to develop and produce the DOD contribution for National Intelligence Estimates. This bolsters Mescall’s thesis that Secretary McNamara’s primary motivation for creating DIA was unified military input to the NIEs. The directive instructed DIA to integrate and validate DOD intelligence requirements, provide plans and policies for collection, coordinate, and so on. Nothing in the directive impeded the Services from continuing their intelligence as they deemed fit.

The 1977 charter revision further clarified DIA’s relationship with the JCS and the Secretary of Defense. Specifically, the Secretary assigned staff responsibility over DIA in the resource area to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, while giving the Assistant Secretary of Defense for International Security Affairs supervisory responsibility regarding policy matters.⁴¹ The director of DIA continued to report through the JCS, and the agency remained under their operational control. Unlike the original charter, the 1977 document contained a mission statement and a more definitive list of responsibilities and functions. The directive defined the DIA’s relationships with the Secretary of Defense, the Chairman of

the JCS, the unified and specified commands, and the Assistant Secretary of Defense for Command, Control, Communications and Intelligence. The directive stated that the director of DIA would be the liaison for all DOD components and government agencies. Once again, the directive failed to give DIA any control over resources. The Service were still empowered (and funded) to do as they pleased. DIA had gained no meaningful leverage.

Criticism of DIA/Poor Performance

The following are a representative collection of observations from various sources regarding DIA's performance from 1961 to 1980. The purpose in listing them is to show that DIA was hobbled by a lack of authority and Service resistance which prevented it from taking charge of the military intelligence effort. The mediocre performance of DIA is the result of its lack of authority over the Service intelligence elements.

- The DIA is one of the most criticized, yet least understood, organizations in the American intelligence community.⁴²
- Since its creation, DIA has been widely condemned for a multitude of failures.⁴³
- DIA has had difficulty fulfilling this mission, however, because many intelligence consumers perceive DIA as a second-rate organization. DIA's struggle to become the nationally recognized leader of military intelligence stems from its turbulent beginnings.⁴⁴
- Within the U.S. Intelligence Community, the Defense Intelligence Agency is often regarded as less than equal.⁴⁵

- Among the dozen or more intelligence organizations that comprise the U.S. Intelligence Community, the primary all-source analytical agencies are the Central Intelligence Agency, the DIA, and the State Department's Bureau of Intelligence and Research. Although all three play a major role, DIA has long been regarded as the weakest of the three.⁴⁶

The Agency showed poor performance in Southeast Asia, particularly with faulty intelligence estimates and its inability to reduce duplication within the military intelligence effort.⁴⁷

- After the seizure of the Pueblo, DIA was reprimanded for misplacing a message that could have prevented the incident.⁴⁸
- In 1973, Major General Daniel Graham, formerly the chief of estimates at the DIA, publicly acknowledged the disenchantment with the agency's estimate product, stating, "To put it bluntly, there is a considerable body of opinion among decision-makers, in and out of the DOD, which regards threat estimates prepared by the military as being self-serving, budget-oriented, and generally inflated."⁴⁹
- Lieutenant General Faurer (USAF-ret.), who worked for DIA in the 1960s, acknowledged that DIA has had a reputation for not succeeding. He went on to say that once there is a history of failure, it is very difficult to break away from that perception.⁵⁰

DIA was sometimes its own worst enemy in terms of organizing to eliminate duplication and enhance efficiency. For example, DIA consolidated Army, Navy, and Air Force targeteers into one element. Unfortunately, instead of appointing one director,

DIA used the three chiefs who had been assigned to the consolidated group. According to one account, it was the worst of all possible worlds because it created internal strains in an environment that contended that all views were equal.⁵¹

In some cases, DIA did not understand the intelligence needs of its customers. Exacerbating the problem was the failure of DIA's customers to understand DIA's capabilities. To address this problem, DIA contracted the RAND Corporation in 1969. RAND conducted a conference of DIA and its customers and initiated a series of product surveys that assisted DIA and its customers in refining DIA intelligence products list.⁵²

DIA's poor performance was, no doubt, caused by many things. For example, start-up organizations, commercial or governmental, are likely to be inefficient and plagued with problems. The evolution of threats during the twenty years covered by this paper made intelligence work much more challenging. But in DIA's case the difficulties were exacerbated by bureaucratic resistance from the Service intelligence organizations and by the lack of authority that greatly hampered DIA's effectiveness.

The Reports

This section examines the efforts of the Presidents, the Congress, and the Secretaries of Defense to assess the deficiencies of DIA and to prescribe remedies. The oversight bodies knew DIA was ineffective and that something had to be done. Lamentably, the overseers were willing to work only around the fringes even when they identified the root causes of DIA's ineffectiveness.

The performance of the intelligence community writ large and of DIA in particular has been the subject of frequent review by Presidential panels and Congressional commissions. From 1961 to 1970, no fewer than six major studies were commissioned

by the federal government to probe redundancy within the military intelligence community. All concluded that, despite the establishment of DIA, the defense intelligence community performed neither effectively nor efficiently. The most famous of these studies, the 1970 Report to the President and Secretary of Defense on the Department of Defense by the Blue Ribbon Defense Panel (the Fitzhugh report), was commissioned by President Richard Nixon due to the concern of individuals within his administration (including Secretary of Defense Melvin Laird) that Pentagon intelligence programs were expanding uncontrolled. The report was extremely critical of DIA, stating that, while the agency was created to consolidate intelligence activities of the three armed services, it had in fact resulted in the growth of the individual service intelligence operations. The report concluded DIA's principal problem was too many jobs and too many masters.⁵³ The report focused on the conflicting needs of DIA's two primary customers: OSD and JCS. OSD needed national intelligence while JCS needed battlefield intelligence. DIA lacked the resources to satisfy both customers fully and the authority to compel the Service intelligence elements to assist it.⁵⁴ The Fitzhugh report also noted DIA's inability to eliminate redundancy in military intelligence. The report believed the agency was inherently flawed and recommended radical reorganization of the agency along functional lines (separating collection and production activities into two agencies).⁵⁵

The House of Representatives' Pike Committee was far more critical of DIA. It concluded that the compromise upon which DIA was founded had resulted in its failure. In the mid-1970s, the House Permanent Select Committee on Intelligence (HPSCI) under the chairmanship of Representative Otis G. Pike (Democrat, NY) felt that DIA had

failed to coordinate adequately military intelligence during the Viet Nam conflict. Consequently, the HPSCI recommended that DIA be abolished.⁵⁶ The HPSCI felt the cause of DIA's failure was organizational weakness. Their report stated, "The three independent branches of the military resist any attempt which might curb their authority to direct programming and allocate resource. They undermine the concept on which DIA was founded, by overriding its authority and preventing it from obtaining qualified manpower."⁵⁷

For its part the Senate Select Committee on Intelligence (SSCI) under Senator Frank Church conducted hearings to review the deficiencies in the intelligence community and to recommend improvements both in the oversight of intelligence and in the conduct of intelligence operations. Like the HPSCI, the SSCI characterized DIA as having too many jobs and too many masters.⁵⁸ While the SSCI noted modest improvement in some areas, it felt that the agency did not produce quality intelligence products and it did not eliminate the duplication. The deficiencies stemmed from shortage of manpower, low morale, and a lack of budget control. The agency could not prevent the Services from diverting intelligence funds to other purposes. In conclusion, the committee recommended that the Director be strengthened or that the agency be disbanded. Disbanding the agency may have been a stalking horse as the committee provided the blue print for the agency's reorganization in 1976.

The reports of the investigations did not materially improve DIA's situation. Some governmental investigations identified the root causes of DIA's deficiencies. Some made recommendations that if implemented could have strengthened DIA by giving it the requisite authorities to perform its mission. Two recommended DIA's dis-

establishment. No report or investigation resulted in legislation, executive direction, or DOD direction that gave DIA the authorities to perform its mission. DIA was left to try to solve its problems on its own. It did so by reorganizing itself.

Reorganizations

DIA was aware of its organizational limitations. Lacking the authorities to do its' mission and unable to gain the authorities, DIA reorganized frequently. Some reorganizations were the result of governmental oversight or investigation. Seventeen studies of the intelligence community were conducted during the period between December 1960 and October 1974.⁵⁹ That said, a significant number of the reorganizations had been as a result of organizational ineptitude within the agency and distrust from the Service intelligence organizations.

Reorganization due to JCS Inspection 1965

In 1966, DIA reorganized as a result of an inspection by JCS. The inspection showed that DIA needed to respond more quickly to critical requirements from the military services and DIA needed to reduce the number of elements that reported to the Director. To improve timeliness, the Processing branch of the Operations element was reorganized into four geographic areas: Soviet Union, Eastern, Western, and Latin America. Each area was responsible for all functions of production (current intelligence, indications and warning, national intelligence estimates, or basic intelligence) in its area. The expectation was that each branch would provide more timely responses to intelligence requirements.

SECDEF Approves DIA Development of Overall Intelligence Plan 1967

National leadership was slow to realize that DIA was the defense intelligence source. The CIA was seen as the primary intelligence agency. The Services were still

reluctant to recognize DIA leadership in the areas for which the agency was now responsible. Within the agency, strife sometimes plagued development. As a result, DIA requested authority to develop an overall intelligence plan for the agency. In February of 1967, the Secretary of Defense authorized development of the plan.

One could say with some justification that much of the organization turbulence in DIA in the 1960s arose from three sources: the world situation, the resistance of the Service intelligence elements, and internal growing pains at DIA. The world situation was characterized by the Cuban Missile crises, the Berlin crisis, and the deepening of U.S. involvement in Southeast Asia. The Services and their intelligence elements continued to resist the centralization of management of defense intelligence in DIA. In the 1970s, governmental studies continued to criticize DIA. The Assistant Secretary of Defense (Administration) stated that DIA was “poorly managed and needed improvements in collection, estimating, dissemination, and resource allocation.”⁶⁰ This combined with a House Appropriation Committee report emphasizing management inadequacies of the agency lead LTG Donald V. Bennett, then the director of the agency to overhaul DIA’s organization in 1970. LTG Bennett’s reorganization focused on clarification of the roles of the agency and on improving agency performance in a time of reduced resources. The 1970 reorganization streamlined the agency; however, it obscured the roles of command, management, and operations in DIA.

In 1979, Lieutenant General Eugene F. Tighe, Jr. reorganized DIA again. The goals of the 1979 reorganization were better management of the agency and its resources, better support to JCS, and better external intelligence coordination. For the first time all intelligence operations were put into one directorate. DIA’s remedy for its

problems had been incessant and reactive reorganizations that ultimately undercut its ability to perform the tasks required by its role in national security.

Conclusion

The Services resisted DIA even before it was formed. They used their bureaucratic strength to thwart Secretary McNamara's efforts to establish a central military intelligence agency that was the instrument of OSD. The Services ensured that DIA, when established, was weak. As a result of Service resistance, the agency was established without the power or structure to lead Defense intelligence and develop consolidated intelligence estimates while compelling efficiency, timeliness, and accuracy. Nor could the agency eliminate wasteful duplication. The Services continued to resist the agency for nearly two decades. This contributed to DIA's poor performance, frequent investigations by other elements of government, and frequent reorganization at DIA.

Endnotes

¹ Charlton Greenwood Ogburn, Jr. Merrill's Marauders, Harper's Magazine, 1957

² Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency," in *North American Spies: New Revisionist Essays*, ed. Rhodri Jeffreys-Jones and Andrew Lownie (Lawrence: University Press of Kansas, 1991), 159.

³ Ibid., 158.

⁴ Builder, *The Masks of War*, 5.

⁵ Carl H. Builder's *The Masks of War: American Military Styles in Strategy and Analysis*, (Baltimore; Johns Hopkins University Press, 1989), 12-14.

⁶ E. Jeszenszky, "The Frustrating Evolution of the Defense Intelligence Agency" (MA thesis, American University, 1992), 39.

⁷ Ibid., 12-14.

⁸ Morton Halperin and Arnold Kanter, *Readings in American Foreign Policy*, (Boston: Little and Brown, 1973), 320.

- ⁹ E. Jeszenszky, *The Frustrating Evolution*, 40.
- ¹⁰ Morton Halperin and Arnold Kanter, *Readings*, 12-14.
- ¹¹ Deane J. Allen and Brian G. Shellum, *At the Creation*, xiv.
- ¹² Deane J. Allen and Brian G. Shellum, *At the Creation*, xiv.
- ¹³ Deane J. Allen, *The Defense Intelligence Agency: A Twenty-One Year Organizational Overview* (Washington, DC: DIA History Office), 17.
- ¹⁴ Deane J. Allen and Brian G. Shellum, *At the Creation*, xv.
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Deane J. Allen and Brian G. Shellum, *At the Creation*, xvii.
- ¹⁹ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 168.
- ²⁰ E. Jeszenszky, *The Frustrating Evolution*, 21.
- ²¹ John Prados, *The Soviet Estimate: U.S. Intelligence Analysis and Russian Military Strength* (Princeton, NJ: Princeton University Press, 1982), 122.
- ²² Joint Study Group, "Terms of Reference," 12 July 1960 (no declassification date), 3.
- ²³ Lyman Kirkpatrick, *The Real CIA* (London: Macmillan Company, 1968), 226.
- ²⁴ Deane J. Allen and Brian G. Shellum, *At the Creation*, xix.
- ²⁵ Deane J. Allen and Brian G. Shellum, *At the Creation*, xix-xx.
- ²⁶ Robert S. McNamara, *The Essence of Security: Reflections in Office* (New York: Harper and Row, 1968), 71.
- ²⁷ Patrick Neil Mescall, "A Creature of Compromise: The Establishment of the DIA," *International Journal of Intelligence and Counter Intelligence* 7, no.3 (Fall 1994): 262.
- ²⁸ S. Neff, "The Defense Intelligence Agency: An In-Depth Study of the Development of the Intelligence Agency" (MA thesis, University of Nevada, Las Vegas, 1998), 49.
- ²⁹ Deane J. Allen and Brian G. Shellum, *At the Creation*, xx.
- ³⁰ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 179.
- ³¹ Patrick Neil Mescall, "A Creature of Compromise", 265.

³² Thomas Ross and David Wise, *The Invisible Government* (New York: Vintage, 1964), 213-14.

³³ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 160.

³⁴ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 159.

³⁵ *Ibid.*, 188.

³⁶ *Ibid.*, 53-54.

³⁷ *Ibid.*, 194.

³⁸ Charles H. Andregg, *Management of Defense Intelligence* (Washington, DC: Industrial College of the Armed Forces, 1968), 16.

³⁹ E. Jeszenszky, *The Frustrating Evolution*, 48.

⁴⁰ *Ibid.*, 31.

⁴¹ Deane J. Allen, *A Brief History: Committed to Excellence in Defense of the Nation* (Washington, DC: DIA History Office, 1996), 12.

⁴² Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 159.

⁴³ *Ibid.*

⁴⁴ E. Jeszenszky, *The Frustrating Evolution*, i.

⁴⁵ *Ibid.*, 1.

⁴⁶ *Ibid.*, 1-2.

⁴⁷ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 160.

⁴⁸ Richard K. Betts *Strategic Intelligence: Windows Into A Secret World An Anthology*, Loch Johnson and James J. Wirtz Roxbury Publishing Los Angeles 2004, 102.

⁴⁹ Victor Marchetti and John Marks, *The CIA and the Cult of Intelligence* (Hodder & Stoughton: Coronet, 1974), 334.

⁵⁰ E. Jeszenszky, *The Frustrating Evolution*, 9.

⁵¹ William Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: Dial Press, 1977), 390.

⁵² E. Jeszenszky, *The Frustrating Evolution*, 55.

⁵³ Morton Halperin and Arnold Kanter, eds., *Readings in American Foreign Policy* (Boston: Little & Brown, 1973), 374.

⁵⁴ Patrick Neil Mescall, "The Birth of the Defense Intelligence Agency" 161.

⁵⁵ Ibid.

⁵⁶ Tyrus G. Bain, ed. *The Intelligence Community: History, Organization and Issues*, (New York: R.R. Bowker Company, 1977), p.608.

⁵⁷ CIA: The Pike Report (Nottingham: Spokesman, 1977), 83.

⁵⁸ Bain, *The Intelligence Community*, 138.

⁵⁹ List of Studies

1960	The Joint Study Group Report
1960	The Sprague Report
1962	The Kirkpatrick-Schuyler-Coyne Report
1962	The Cuban Missile Crisis Post-Mortem
1965	The CIA Long Range Plan
1966	The Cunningham Report
1967	The Shute Report
1967	The Katzenbach Report
1968	The HACIT Report
1968	The Eaton Report
1968	The Lindsay Report
1969	The Bross Report
1969	The Froehlke Report
1970	The Fitzhugh Blue Ribbon Panel Report
1971	The Schlesinger Report
1971	The President's Directive
1974	The Ford Letter

⁶⁰ Deane J. Allen, *The Defense Intelligence Agency: A Twenty-One Year Organizational Overview*, 167.